cumulated losses of the Indian Iron and Steel Company (IISCO) for acceptance of the revival proposal for the sick company; and

(b) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS); (a) and (b) IISCO is a sick company and has been under reference to BIFR since June, 1994 for determination of measures in regard to the future of the company. SAIL have submitted a proposal which inter alia includes writing off of accumulated losses, to revive IISCO in a joint Venture (JV) partnership with M/s Tyaz pron export (TPE) of Russia. This proposal is dependent on the use of Rupee Debt Funds for which an Inter Govermental Agreement between the Gvoernment of Russia and Government of India is required. The project envisages an investment of Rs. 2107 crores. Govt. of India's efforts in this direction culminated in the signing of a Protocal in the Fifth Session of Indo-Russian Inter Governmental Commission in November, 1998. In the Protocol, it has been proposed to use a part of India Rupee Debts as contribution of the Russian side to the Joint Venture Company.

Accordingly, Govt. of India have already formally presented to the Russian side the draft of an agreement which could be signed between the two countries. The response of the Russian Govt. is awaited. However, any scheme to be taken up for modernisation will have to be in accordance with the orders of the BIFR in this regard.

Import of Steel

1358. SHRI K. RAHMAN KHAN: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether India is importing Steel;

(b) whether steel is being dumped to kill the local steel industry; and

(c) whether Government are considering imposing anti-dumping duty on imported steel?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir

(b) and (c) Indian steel industry is facing competition on account of import at low prices and dumping from some countries. On the recommendation of the Designated Authority in the Ministry of Commerce Government have imposed anti-dumping duties on imports of HR Coils, HR Strips/Sheets/Plates and Boiler Quality Plates from Russia and Ukraine.

Distribution of Funds From Steel Development Fund

1359. SHRI RAJNATH SINGH SURYA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that so far funds from Steel Development Fund have been made available to SAIL and TISCO only;

(b) if so, the reasons therefor;

(c) whether some other steel companies approached for this fund; and

(d) if so, governments response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) to (d) Loans have been granted from Steel Development Fund to Steel Authority of India Ltd. Tata Iron & Steel Company Ltd., Rastriya Ispat Nigam Ltd. and Indian Iron & Steel Company Ltd. for modernisation/expansion schemes of these Main Producers. The Main Producers, i.e. SAIL, TISCO, RINL and IISCO were the first generation steel producers through whom an element of surcharge (SDF levy) was collected which became the corpus of SDF. The steel produced by other steel producers in the private sector and imported steel were not subjected to the SDF levy. Recently some steel companies have approached for loans from this fund. However, the loan

from SPF continue to be recycled to the Main Producers only as per the decision of the Government in 1997.

Cumulative Losses fo SAIL

1360. SHRI RAMDAS AGARWAL: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether SAIL's cumulative losses between April—December 1998 amounted to Rs. 890 crores, as reported in the Hindustan Times, dated 31st January, 1999;

(b) if so, what are the reasons therefore indicating profit/loss of SAIL during the last three years;

(c) what steps SAIL have taken, so far, to increase production/sale/target fixed including business restructuring during 1998-99 and 1999-2000 as compared to last two years; and

(d) whether voluntary retirement scheme evoked any favorable response by SAIL employees?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) Yes, Sir.

(b) The Profit/loss (-) of SAIL for the last three years is as under:

(Rs. in crores)

	Profit/Loss(-) (Befoe Tax)
1995-96	1319
1996-97	588
1997-98	149

The main reasons for decline in profits include sluggish demand for steel, greater competition from imports arising due to lower international prices and enhancement in supplies in domestic market resulting in decline in the net realization from sales. Export prices have also declined in the international market.

While the benefits of modernization would materialize in phases, SAIL has to absorb higher capital related cost (interest and depreciation) because of capitalization of modernization/capital schemes, and also for maintaining a higher inventory level.

(c) SAIL has taken the following steps for improving the performance:

* Greater emphasis on cost control measures.
* Introduction of Voluntary Retirement Scheme (VRS) for employees.
* Market oriented production and product-mix.
* Improvement in techno-economic parameters.
* Increasing sales through aggressive and customer oriented marketing.
* Exploring new ways to bridge the resource gaps through business restructuring initiatives.

Industrial Development Bank of India (IDBI) has recommended financial restructuring of Steel Authority of India Limited (SAIL) which primarily envisages relief from Steel Development Fund (SDF) loan/Government of India loan towards writing down of fixed assets to the extent of interest capitalised, writing-off of loans and advances given by SAIL to IISCO, etc. The IDBI have, in their report, inter-alia also concluded that SAIL should consider business solutions as a long term strategy for improving operations and enhancing returns such as rationalization/divestment of idle or non-core assets, divestment from unrelated/non-core operations and of loss making units, etc.

(d) As a part of the manpower rationalisation efforts, SAIL had implemented a Voluntary Retirement Scheme between March and August, 1998 and 5975 employees had availed voluntary retirement under the scheme.